

## Fiscal Note

*Fiscal Services Division*



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**HF 2380** – Child Care Assistance (LSB 5642HV)

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Fiscal Note Version – New

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### **Description**

**House File 2380** directs the DHS to implement a Child Care Assistance (CCA) pilot program in Hamilton, Lee, Pottawattamie, and Scott counties that will extend eligibility to parents that are both employed part time and participating in academic or vocational training part time for a combination of at least 28 hours a week. Currently, parents may only do one or the other to be considered eligible.

The CCA pilot program will begin July 1, 2014, and last for six months. In January 2015, the Department is directed to report CCA pilot program findings to the General Assembly regarding the fiscal impact analysis of applying the revised eligibility requirements, the effect of the pilot program on current net income and potential future income of families enrolled in the pilot program, and the effect of applying the revised eligibility requirements statewide.

### **Background**

Child Care Assistance (CCA) is a statewide subsidy program that helps pay for the care of a child while the parent or caretaker works or attends school. The CCA is available to the children of eligible parents with income at or below 145.0% of the Federal Poverty Level and who are absent for a portion of the day due to employment of an average of 28 hours a week, or full-time participation in academic or vocational training, or PROMISE JOBS activities. The CCA may also be available for a limited period of time to the children of a parent looking for employment or when a parent is unable to care for a child due to hospitalization or outpatient treatment for physical or mental illness.

Parents apply for six months of service at a time, but services are not capped after this period. After the first six-month period, parents are required to reapply to allow the Department of Human Services (DHS) to renew another six months if the parents are eligible to continue services. If income, employment, or academic conditions change at any point and the parent does not meet the CCA eligibility requirements, the parents are required to notify the DHS and will not continue to receive services.

To receive services a parent must fill out an application form. If they have access to a printer, the parent can print an application form from the DHS website and return it to the DHS office in the county the services will be received.

### **Assumptions**

- The CCA pilot program changes eligibility requirements for subsidy recipients located in Hamilton, Lee, Pottawattamie, and Scott counties only.
- As of January 2014, a total of 1,734 active families are eligible for the CCA program in Hamilton, Lee, Pottawattamie, and Scott counties. Many of these families meet one of the eligibility requirements, and are not being reimbursed for others. For example, a parent

employed full time for 28 hours or more during the week and also attending a training program for five hours a week will only be eligible to receive CCA benefits for the employment hours, not the training program hours. It is unknown how many current eligible families will be eligible for more CCA benefits due to the revised eligibility requirements. Therefore, 70.0% of the current active families in the four counties, or 1,215 families, will be used for an approximate estimate.

- There is no specific data available that outlines how many new parents will be eligible in these counties due to the revised eligibility requirements of the CCA pilot program. However, the DHS states that the Promise Jobs Program has previously found 5.0% of Promise Jobs referrals meet the revised eligibility requirement of the pilot program. Based on this, an additional 87 families (5.0% of the current active families in the pilot counties) will be eligible for the CCA program.
- The DHS estimates that changes to the Kindertrack system used to track the families and CCA payments will cost \$238,000 in FY 2015.

### **Fiscal Impact**

[House File 2380](#) will result in an additional General Fund cost of \$552,264 for FY 2015. Of this amount, \$314,264 will be used for eligible CCA payments and \$238,000 will be used for changes to the Kindertrack system to allow for pilot program implementation and tracking.

### **Sources**

Department of Human Services

U.S. Department of Health and Human Services Administration for Children and Families

National Council of State Legislatures

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/s/ Holly M. Lyons

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The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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